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June 22, 2018

**VIA HAND DELIVERY**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: South Carolina Electric & Gas Company  
Request for Approval of Contract for Electric Service with Charter NEX Films, Inc.  
Docket No. 2018-208-E

Dear Ms. Boyd:

Pursuant to 10 S.C. Code Ann. Regs. 103-303 (2012), South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files with the Public Service Commission of South Carolina ("Commission") and seeks approval of the Contract for Electric Service ("Contract") between SCE&G and Charter NEX Films, Inc. ("Charter NEX Films"), with such approval to be made effective as of March 28, 2018, the effective date of the Contract.

Charter NEX Films is North America's leading independent producer of high-performance specialty films used in flexible packaging and other critical performance applications. The Contract is related to Charter NEX Films' decision to locate new manufacturing operations in Richland County. It is SCE&G's understanding that Charter NEX Films plans to invest \$85 million to build a 140,000-square-foot plant in the Carolina Pines Industrial Park on Farrow Road in Blythewood, South Carolina, and to create an expected 110 new jobs. Hiring for the new positions is projected to begin in the second quarter of 2018. The Contract continues for twelve years from the service date, unless an early termination is mutually agreed upon by the parties. The Contract is automatically extended thereafter until terminated by either party.

Due to the commercial sensitivity and proprietary nature of certain provisions of this Contract as well as the highly competitive nature of the industry in which Charter NEX Films operates, Charter NEX Films requested and the Company agreed to keep the terms of the Contract confidential. In accordance with the terms of the Contract, the Company and Charter NEX Films respectfully request that the Commission find that the Contract contains protected information and issue a protective order barring the disclosure of this Contract under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, 10 S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law. Pursuant to 10 S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion.

(Continued . . . )

The Honorable Jocelyn G. Boyd

June 22, 2018

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To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter a redacted version of the Contract that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose a copy of the unredacted Contract in a separate, sealed envelope and respectfully request that, in the event that anyone should seek disclosure of this unredacted Contract, the Commission notify SCE&G of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Contract from disclosure.

Enclosed are the following:

- (1) A true and correct copy of the original Contract in a sealed envelope marked "CONFIDENTIAL." Each page of the Contract is also marked "CONFIDENTIAL."
- (2) Ten (10) copies of a redacted copy of the Contract for filing and public disclosure.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the Contract for its records. Additionally, SCE&G will make the original, unredacted copy of the Contract available to ORS for its review.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to contact us at your convenience.

Very truly yours,



Matthew W. Gissendanner

MWG/kms

Enclosure

cc: Dawn Hipp  
Jeffrey M. Nelson, Esquire  
(all via hand delivery)



**ORIGINAL****South Carolina Electric & Gas Company****CONTRACT FOR ELECTRIC SERVICE****Effective Date:** 03-28-2018**Contract No. :** E0218007**THE PARTIES HEREIN NAMED AGREE TO THE FOLLOWING**

**Customer's Legal Name:** Charter NEX Films, Inc.  
**D/B/A:** Charter NEX Films, Inc.  
**Premises Served:** Plastic Packaging Film Manufacturing Facility  
**Service Address:** Carolina Pines Drive, Blythewood, SC 29016  
**Billing Address:** TBD  
**Initial Term Ends:** 12 Years from Service Date; **Service Date:** See Exhibit "A"  
**Minimum Notice of Termination:** 12 Months after initial term  
**Supply:** 23.9/13.8 kV **Service Method:** Company-Owned Padmount Transformers  
**Delivery:** 277/480 Volts, Three (3) Phase, Four (4) Wire, Wye Connected  
**Point of Service:** Low Side of Company-Owned Padmount Transformers  
**Metered Voltage:** 480 Volts; **Meter Location:** On Transformers  
**Billing Rate :** 23 **Contract Demand:** 5,419 kW **Maximum Capacity:** 12,750 kVA  
**Build-up Period:** Six (6) Months **SIC:** 2671 **NAICS:** 326112

**Special Provisions/Extra Facilities/Explanations:**

See attached Exhibit "A", which is incorporated herein by reference. The purpose of this Contract is to establish electric service to New Customer.

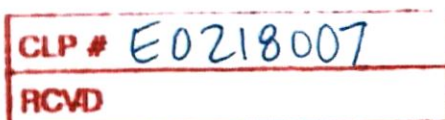
*This contract incorporates all general, standard, and special terms hereafter or incorporated by reference, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the same services.*

**CHARTER NEX FILMS, INC.**

**By:** DocuSigned by: Mark May  
2E7C8BE2B8D94AD...  
**Print:** Mark May  
**Title:** Manufacturing Development Manager

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**

**By:** DocuSigned by: William G. Watkins  
62193B55E7FC453...  
**Print:** William G. Watkins  
**Title:** Manager - Large Customer Accounts & Services



**EXHIBIT "A"**  
**Contract for Electric Service between SCE&G and Charter NEX Films, Inc.**  
**Carolina Pines Drive, Bluffview, SC 29016**

**I. GENERAL**

This Contract for Electric Service ("Contract") is being executed between South Carolina Electric & Gas Company ("Company" or "SCE&G") and Charter NEX Films, Inc. ("Customer") for and on behalf of themselves, their successors and assigns, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to the same services.

All provisions of the Company's Industrial Power Service Rate 23 ("Rate 23") are incorporated herein by reference and are a part of this Contract For Electric Service ("Contract") unless expressly deleted or modified herein.

Customer has plans to locate its specialty films manufacturing operations in Company's service area. Customer has announced plans to make an initial investment of approximately \$85,000,000 for its facility resulting in the creation of 110 jobs. The facility is expected to be operational in the second quarter of 2018.

**II. SPECIAL CONDITIONS**

**Contract Rate**

Beginning with the Service Date of this Contract for Electric Service, as defined below, and extending for [REDACTED] Contract Years of the twelve (12) year Initial Term, Customer will be billed according to a Contract Rate consisting of: 1) a Basic Facilities Charge; 2) an Energy Charge; 3) a Demand Charge; and 4) an Economic Development Incentive Credit (EDI Credit), as follows:

- 1) **Basic Facilities Charge:** The Basic Facilities Charge shall be the Basic Facilities Charge included in Rate 23, in effect at the time of billing.
- 2) **Energy Charge:** The Customer's Energy Charge shall be determined by applying the Energy Charge per kWh in the Company's Rate 23, in effect at the time of billing, to the billing kWh as measured by the Company.
- 3) **Demand Charge:** The Customer's Demand Charge shall be Demand Charge in the Company's Rate 23, in effect at the time of billing, applied to the Billing Demand kW as determined by the Company.
- 4) **Economic Development Incentive Credit:** The Customer's monthly Economic Development Incentive Credit (EDI Credits) shall be determined by applying the EDI Credits below to the sum of the Basic Facilities Charge, the Demand Charge and the Energy Charge described above excluding specifically identified Rate Components which are identified as Riders or Adjustments which currently are in effect or which may be added in the future. The specifically identified Rate Components currently and/or scheduled to be in effect include: (1) Adjustment for Fuel and Variable Environmental Costs; (2) Demand Side Management Component; (3) Pension Costs Component; (4) Storm Damage Component and (5) Distributed Energy Resource Program.

Approval Initials

For Customer

For Company



**Planned Load Increases:**

Customer has plans to increase its load over the period 2018 through 2022, and has requested Company to install two (2) 2,500 kVA, two (2) 3,500 kVA and two (2) 750 kVA pad mounted transformers in anticipation of its projected load. Note: One of its two (2) 750 kVA pad mounted transformers will provide dedicated service to Customer's emergency fire protection system and will carry a permanent, Monthly Excess Facilities Charge as described above.

Company will increase the Maximum Capacity and decrease the Monthly Excess Facilities Charge when the loading threshold stated below has been exceeded or is anticipated to be exceeded. In the event the Maximum Capacity is increased, then the Contract Demand will be increased to fifty per cent (50 %) of Maximum Capacity at the 85% power factor kW equivalent as listed below.

Loading Threshold (kVA)	Maximum Capacity (kVA)	Contract Demand (kW)	Monthly Excess Facilities Charge
Initial Service	2,500	1,063	
2,500	5,000	2,125	
5,000	8,500	3,613	
8,500	12,000	5,100	
12,000	12,750	5,419	

**Coincidental Peak Billing**

The monthly billing shall be on one account, based on the arithmetic sum of energy, and the coincidental peak demand as recorded at the multiple metering points during each billing period.

**Contribution-in-Aid-of-Construction for Spare 3,500 kVA Transformer:**

Per Customer's request, Company will install two (2) 2,500 kVA, one (1) 750 kVA, and two (2) non-standard 3,500 kVA pad mounted transformers in anticipation of Customer's projected load. Since the 3,500 kVA transformer is non-standard equipment for the Company, Customer agrees to pay the Company a one-time, non-refundable contribution-in-aid-of-construction in the amount of [REDACTED] for the purchase of a spare 3,500 kVA pad mounted transformer. If any of the 3,500 kVA transformers should fail and need replacement, then the Company at its discretion has the right to replace said failed transformer with the spare non-standard 3,500 kVA transformer or with a standard 2,500 kVA transformer based on Customer's load.

**Early Termination Charges**

Should this Contract be terminated for any reason prior to the conclusion of the Initial Term, the Company shall bill and the Customer shall pay, within thirty days of the invoice date, a percentage of all EDI Credits applied by the Company to the Customer's invoices under this Contract according to the following schedule:

Contract Year	% of Total Received EDI Credits
Year 1 through 5	100%
Year 6	80 %
Year 7	60 %
Year 8	40 %
Year 9	20 %
Year 10 through 12	10 %

Approval Initials

For Customer

For Company

The Early Termination Charges described in this Section are in addition to any and all other termination charges provided for in this Contract, including but not limited to: the facilities termination charge described in the Standard Conditions and the demand termination charge described in the Standard Conditions.

### **Full Requirements Service**

In consideration for the aforementioned Economic Development Incentives, this Contract shall be for full-requirements service which requires that all energy and capacity used by Customer at its premises covered hereunder be purchased from the Company except for Customer-owned power generation for emergency use by Customer as backup for its critical infrastructure. This section does not preclude Customer from participating in any of Company's programs including its customer applicable Distributed Energy Resource (DER) or Standby Generator programs. In the event Customer elects to become a partial requirements customer by self-generating all or part of its load (except for Customer-owned power generation for emergency use by Customer as backup for its critical infrastructure) outside of Company programs during the Initial Term of this Contract (a "Partial Requirements Election") then Customer agrees to pay to Company the applicable Early Termination Charge as defined in this Contract.

### **Regulatory Approval**

The Customer agrees to support the Company in its request to the Public Service Commission of South Carolina ("Commission") to protect the confidential information contained within the Contract. This Contract is subject to the approval of the Commission, and any and all provisions herein are subject to change by order(s) of the Commission and the Customer agrees to support the Company in its request to the Commission seeking approval of the Contract.

### **Confidentiality**

Customer requests and Company hereby agrees to keep the terms of this Contract confidential. Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of this Contract to a third party except (i) in order to comply with any applicable law, order, regulation, or exchange rule; (ii) to the extent necessary for the enforcement of this Contract; or (iii) to its employees, lenders, counsel, accountants and other agents on a need-to-know basis for the analysis of business issues related to this Contract, provided such persons shall have agreed to keep such terms confidential. The existence of this Contract is not confidential.

### **Distribution Facility Protection:**

Company owns and will maintain the pad-mounted transformers, primary cable, primary protective equipment, and metering equipment. Customer owns and will maintain the concrete transformer pad and all circuits and equipment on load side of transformer terminals. Customer agrees to keep transformers and primary cable unencumbered and accessible to Company's maintenance vehicles and to keep transformers protected from vehicular traffic. Customer agrees to distribute its internal secondary loads in such manner as not to overload any transformer.

Approval Initials

DS  
MM

For Customer

DS  
WGW

For Company

## STANDARD CONDITIONS

**Supply and Use:** Company agrees to sell and Customer agrees to buy from Company all purchased electric energy, capacity, related transmission services and any related distribution services required by Customer for use on its premises covered hereunder. Resale by Customer of energy, capacity, related transmission or related distribution services is not permitted.

**Creditworthiness:** Company, in order to satisfy itself of the ability of the Customer to meet its obligations under the contract may conduct periodic reasonable credit reviews in accordance with standard commercial practices. Customer agrees to assist in these reviews by providing financial information and at the request of the Company, will maintain such credit support or surety including but not limited to, an unconditional and irrevocable letter of credit to provide adequate security for protection against the risk of nonpayment.

**Service Application, Deposit and Release:** Prior to receiving service, Customer or its Agent must: (a) Ensure that an application for service is made to Company, either in person at one of Company's commercial offices or through the Company representative coordinating the service arrangements; (b) Post a service deposit with Company (as determined by Company in accordance with S.C. Public Service Commission regulations), unless waived by Company in favor of other satisfactory assurance for payment of bills; and (c) Ensure that any inspections required by governmental authorities having jurisdiction are completed and notice thereof is given to the Company.



**Commencement of New Service:** Company and Customer shall make every reasonable effort to have their respective facilities ready for service by the Service Date stated on Page 1. If conditions should change, the affected party shall immediately notify the other.

**Assignment:** Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion.

**Term:** This Contract shall commence on the **Effective Date** (the date on which this contract is fully executed) and shall continue for the full **Initial Term**, unless an early termination is mutually agreed upon. Thereafter, it will extend automatically until terminated by either party giving the other a written **Minimum Termination Notice**. Billing for service rendered hereunder shall commence on the **Service Date** (the date customer contracts for service under the tariff applicable to this contract) or the date that service is first made available, whichever is later, or in accordance with terms stated under **Special Provisions**.

**Termination:** Should Customer terminate this contract and disconnect service for any reason, either during the initial term or any extension thereof unless waived as provided for herein, Customer shall pay to the Company a facilities termination charge equal to (a) the total installed cost of facilities dedicated solely for serving Customer, (b) less any Customer contribution to construction, (c) less accumulated depreciation of the facilities funded by Company, (d) less salvage value of all facilities dedicated solely for serving Customer, (e) plus the cost of removal (including any associated environmental investigation/remediation costs related to a spill or release of hazardous substances caused by Customer or those paid or incurred by the Company which were not the result of negligence on the part of the Company), all as determined by Company in accordance with its standard accounting practices; provided, however, that the termination charge shall not be less than zero. Customers who terminate prior to the expiration of the initial term or any extension thereof may also be required to pay to Company a demand termination charge equal to 90% of the maximum demand set during the term times the demand rate in effect at the time of termination times the number of months remaining in the contract period.

Approval Initials

	
_____ For Customer	_____ For Company



Company may waive a portion or all of the termination charges where (1) a successor contract is executed prior to termination of this Contract, or (2) Customer is able to furnish Company with satisfactory evidence that a successor customer will occupy the premises within a reasonable time and contract for substantially the same service facilities. If deregulation should occur during the term of this contract, the above demand termination charge, after deregulation, will be determined by appropriate governing authority(ies) rules at that time. The termination charges above shall not preclude additional termination charges approved by the SCPSC or imposed by law.

**Impaired Service:** Customer shall be responsible for installing and maintaining on its system such protective equipment as necessary for protecting its equipment from single phase conditions, momentary interruptions or voltage fluctuations arising from conditions on its system or from Company's supply lines. Customer shall not operate its equipment of such nature and in such manner as to impose voltage flicker, surges, or harmonics on Company's system that adversely affects the Company's system or its service to other Customers. Adverse conditions verifiable as of Customer origin shall be corrected promptly by Customer or upon Notice Company may discontinue service until the conditions are corrected. Customer agrees to keep Company equipment unencumbered and accessible at all times.

**Load Increase:** If Customer contemplates a load increase which may exceed the **Maximum Capacity** stated on Page 1, Customer shall give Company written notice of planned increase, with sufficient lead time for Company to enlarge its facilities. In such cases this Contract may be amended by mutual consent of the parties to reflect any changes in the service characteristics, applicable charges or conditions of service.

**Facility Relocation:** Should Customer request Company to relocate any of its facilities, or take any action which will require Company to relocate its facilities, Customer shall reimburse Company for the costs incurred.

**Hold Harmless:** Company and Customer do respectively assume full responsibility for the maintenance and operation of the facilities owned and/or operated by each, and each shall indemnify and except as hereafter limited, shall hold the other harmless from any loss resulting from bodily injury (including death) or damage of property arising directly or indirectly out of any negligent or willful act or failure to act on the indemnitor's part in the installation, maintenance, operation, replacement and/or removal of the facilities owned and operated by each. Neither party shall be liable to the other in any event, whether in contract, tort or otherwise, for any loss of revenue, profits, use of production, costs of capital or purchased or replacement power, interest, business interruption, claims of customers or any other incidental, indirect or consequential damages of any nature whatsoever. Customer(s) acknowledge(s) the presence of overhead and/or underground power lines and understands that contact with them could cause serious injury or death.

**South Carolina Public Service Commission:** This Contract, the Billing Rate referenced on Page 1, and all services rendered hereunder, are subject to the Company's "General Terms and Conditions" as approved by the Commission, and to the "Rules and Regulations" of the Commission, as the foregoing now exist or may be amended in the manner prescribed by law. The billing Rate and General Terms and Conditions are attached and made a part hereof; Rules and Regulations are made a part by reference and are available upon request. This contract is specifically intended to survive deregulation or retail access.

**Bold Print Terms:** Bold Print terms reference the corresponding completed blanks on Page 1.

Approval Initials

ds  
MM

For Customer

ds  
WZ

For Company